

S. 1527
Substantive Changes

Early retirement features for special classes (law enforcement officers, firefighters, and air traffic controllers), similar to those in current law, have been added to the bill.

Employees will have an option to select from two retirement plan options, as detailed below. Survivor and disability benefits have been improved for both plans.

Plan A and Plan B

- o Improved survivor benefits for preretirement death
 - Eligible after 18 months of service (instead of five years).
 - Benefit payable immediately (instead of date eligible to retire).
 - No reductions for early retirement or election of a survivor annuity.
 - Survivor benefits are 50% of accrued annuity with no reductions or, if greater, minimum benefit equal to that provided for 10 years of service.
- o Improved survivor benefit for postretirement death
 - Reduction of 10% to pay for election (instead of 12%).
 - Benefit is 50% of annuity prior to reduction for election of a survivor annuity.
- o Improved disability benefit
 - Net benefit after initial offset for Social Security is increased based on the COLA formula of the plan without further regard to the offset.
- o Improved FEGLI for employees who elect coverage
 - Benefit equal to two times pay for all workers.
 - At death of worker, survivor may elect regular payments for two years or a lump sum benefit.

Plan A only

- o Accrual rate: 0.9, first 15 years, 1.1 thereafter
- o COLA changed from CPI-2 at all ages to: no COLA prior to age 62, CPI-2 from 62 through 66, and full CPI at age 67 and over.

Plan B only

- o Accrual rate: 0.9, first 10 years, 1.1 thereafter
- o Thrift match changed from 50% of pay up to 6 percent (\$3) to: \$1 for \$1 to 1% + \$.50 to 3% + \$.25 to 6% (\$2.75).
- o COLA changed from CPI-2 at all ages to: CPI-2 to 62 and full CPI at age 62 and over.
- o Level employee contribution of 7 percent of pay minus the retirement portion of the Social Security tax, instead of a flat 1.3 percent.